

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:994

ANSWERED ON:27.07.2001

CIRCULATION OF SOILED AND MUTILATED CURRENCY NOTES

PRABHAT KUMAR SAMANTARAY

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government are aware of the large scale circulation of soiled and mutilated currency notes in the country;
- (b) if so, whether the Government propose to eliminate such soiled notes; and
- (c) if so, the steps taken by the Government in this regard?

Answer

Minister of State in the Ministry of Finance (Shri GINGEE N RAMACHANDRAN).

(a) & (b) : Yes, Sir.

(c) : All Public Sector Banks (PSBs) have been instructed to accept the soiled notes and deposit the non-issuable soiled notes with any of the 4200 currency chests of the Reserve Bank of India (RBI) maintained at Public Sector Banks all over the country. Further, all public and private sector banks are linked with the currency chests for retrieval of soiled notes. These soiled notes are ultimately disposed of at the Reserve Bank of India after due examination. Similarly, all currency chest bank branches of the Public Sector Banks have been delegated full powers for adjudication of mutilated notes presented by members of public. During the Fiscal Year 2000-2001, Reserve Bank of India received over 6.5 billion pieces of soiled notes out of which over 4.3 billion pieces were disposed of at the Reserve Bank of India. Similarly, over 40 million pieces of mutilated notes were adjudicated by Reserve Bank of India offices and Public Sector Banks during 2000-2001.